

WASHINGTON (March 29) – Congressman Spencer Bachus (AL-6) released the following statement about the proposals introduced today by several Republicans on the Committee to reform Fannie Mae and Freddie Mac. Bachus is Chairman of the House Financial Services Committee.

“In our Pledge to America, House Republicans said: ‘We will reform Fannie Mae and Freddie Mac by ending their government takeover, shrinking their portfolios, and establishing minimum capital standards.’ As Chairman of the House Financial Services Committee, I want to make it clear: We are fully committed to these goals.”

“On March 17, the Committee’s Vice Chairman, Rep. Jeb Hensarling, introduced H.R. 1182, a bill that represents Republicans’ ultimate objective, as articulated in the Pledge to America, to end the \$150 billion bailout of Fannie Mae and Freddie Mac and make sure that such a bailout is never again forced on the American taxpayer.

“This comprehensive reform of the U.S. mortgage market will be supplemented by targeted bills which Capital Markets Subcommittee Chairman Scott Garrett will shepherd through his Subcommittee, all of which advance the same goal as the Hensarling bill: to create a well-functioning, private, competitive secondary mortgage market to price mortgages according to risk, be more innovative and efficient, and operate with less political interference.

“Finally, Insurance and Housing Chairman Judy Biggert will begin a parallel legislative effort to reform the Federal Housing Administration. This effort will focus on legislation to clearly define FHA’s mission and prevent it from simply replacing Fannie Mae and Freddie Mac as a source of taxpayer exposure to the mortgage market.

“The strength of the Republican Financial Services Committee team has been and will continue to be the cooperation and collaborative effort of its subcommittee chairmen. The reform of housing policy, which spans the jurisdiction of several subcommittees, will display the power of this willingness to work together and accomplish great things.”

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